



Small details. Big difference.™

RESILIENCE

Annual Report 2020



FINDING OPPORTUNITY IN ADVERSITY

Winston Churchill once said that “A pessimist sees the difficulty in every opportunity; an optimist sees the opportunity in every difficulty.” The global pandemic of 2020 set difficulties in front of us that could not have been imagined as we began the year. But I’ve been humbled to see how our employees, agents and policyholders have found the opportunities in those difficulties to keep moving forward. It’s also been inspiring to see how we have supported each other to manage these difficult times.

The small business owners that Society insures have never seen a more challenging environment. In many cases, the way they had to do business was completely upended. While some unfortunately were not able to survive, most did, and it was due to innovation, creativity and a deep desire to serve their customers. It has been so very impressive.

Independent agents had to address their own challenges as business owners, but they also needed to be there for our common customer, the policyholder. Their role as a risk consultant expanded at times to include providing advice on how best to access government aid programs, and sometimes to simply be an empathetic listener for customers. The value they provided won’t be soon forgotten.

Society’s employees rose to the occasion to support policyholders and agents, in most cases from a new work-from-home environment. The regular tasks of running an insurance company continued uninterrupted and we adapted as needed. Payment forgiveness was provided to policyholders struggling with cash flow, and then customized payment plans were developed to make catching up easier. Millions of dollars of premium credits were processed to help businesses whose sales and payrolls had declined. New standards were quickly developed for food delivery to support the needs of restaurant customers.

As if a pandemic and recession weren’t enough, our claims departments had to step up to a series of events that generated record numbers of claims. From civil unrest to a derecho that was the largest convective storm loss event in U.S. history, employees in our claims departments met the challenge.

Because small business owners, agents and our employees faced these difficulties and overcame them, abundant opportunities will be available in the future. As the health emergency is finally controlled and the economy then begins to heal, the lessons we’ve all learned about resilience, innovation and adaptability will lead us forward. The future is always bright for those who have overcome adversity.

Beyond admirably stepping up to the challenges of 2020, Society Insurance was still able to build for the future. On October 1, a new state-of-the-art operating system for policy administration, billing and claims was introduced in Colorado, our newest state of operation. The system will be introduced in other states over the next few years. As Society continues to grow, plans are in place to enter Georgia and Texas during 2021. Local employees have been hired in all of these states to support agents and policyholders as we begin operations.

Offering thanks and admiration to our resilient policyholders, agents and employees almost doesn’t seem enough given what’s been overcome, but I close by offering my heartfelt thanks to all of you. May the opportunities you’ve earned be abundant in the coming years.

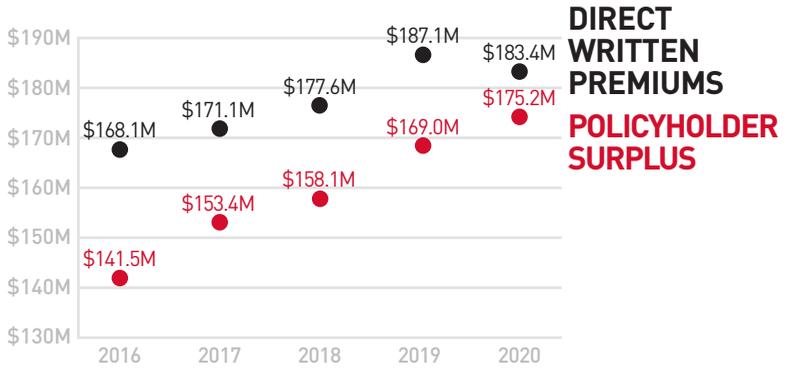
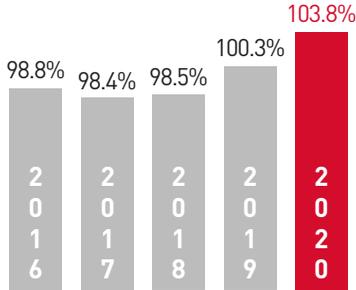
Rick W. Parks



President & CEO

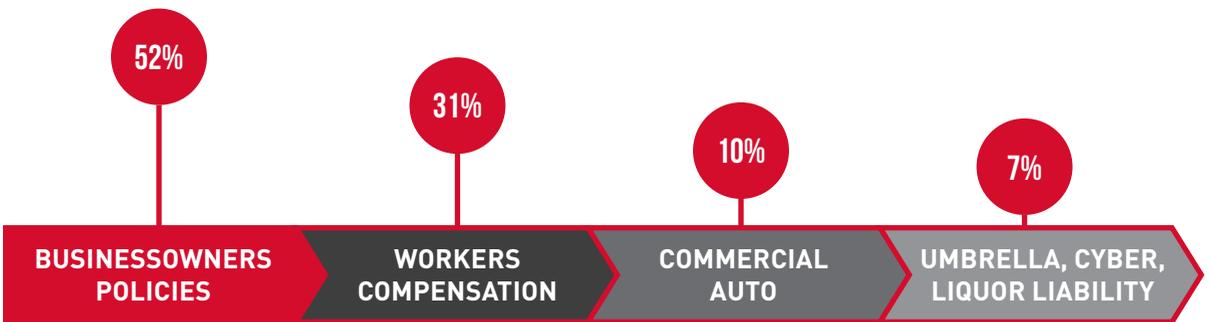


COMBINED RATIO



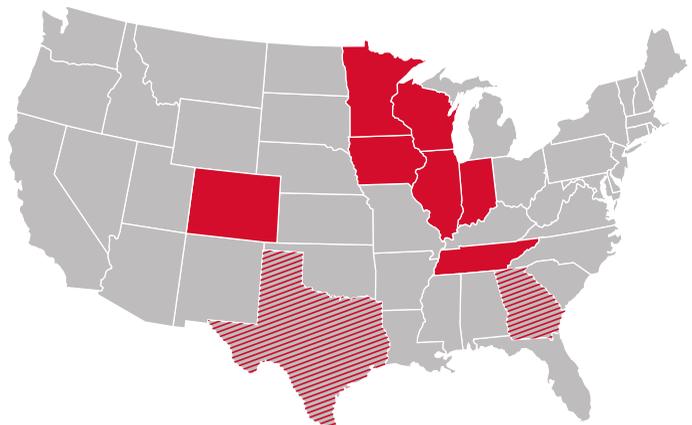
ASSETS	2016	2017	2018	2019	2020
Bonds	\$273,187,101	\$292,476,770	\$309,529,229	\$305,405,494	\$327,117,096
Stocks	\$37,421,781	\$44,402,061	\$39,859,375	\$46,003,066	\$48,269,172
Real Estate	\$3,689,786	\$3,451,692	\$3,271,796	\$3,318,982	\$5,262,674
Cash and Short-Term Investments	\$10,110,453	\$10,592,347	\$9,375,080	\$21,535,566	\$31,007,267
Premium Receivable	\$68,031,664	\$67,996,391	\$70,658,535	\$74,423,389	\$73,337,536
Other Assets	\$15,478,383	\$13,689,222	\$13,909,547	\$17,191,120	\$16,052,958
Total Assets	\$407,919,168	\$432,608,483	\$446,603,562	\$467,877,617	\$501,046,703

MIX OF BUSINESS (Excludes Wisconsin Workers Compensation Pool)



STATES OF OPERATION

1915 Wisconsin	2018 Minnesota
1996 Illinois/Iowa	2020 Colorado
1997 Indiana	2021 Georgia
2016 Tennessee	2021 Texas



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